



CALIFORNIA TRANSPORTATION COMMISSION

**Financial Allocation and
Request to State Treasurer to Issue
Grant Anticipation Revenue Vehicle
("GARVEE") Notes**

RESOLUTION FG-03-01

- 1.1 WHEREAS, under the National Highway System Designation Act of 1995 and the Transportation Equity Act for the 21st Century, the United States Congress authorized states to issue GARVEE notes (the "Notes") which are tax-exempt grant anticipation notes backed by annual federal appropriations for federal aid transportation projects, and
- 1.2 WHEREAS, Sections 14550 and 14552-14555 were added to the Government Code of the State of California by Chapter 862 of the Statutes of 1999 (SB 928) (the "Act") to provide for the implementation of the State's GARVEE Program (the "Program"), and
- 1.3 WHEREAS, in accordance with the Act, the Commission has adopted Grant Anticipation Revenue Vehicle (GARVEE) Guidelines (the "Guidelines") in order to establish guidelines for eligibility for funding allocations under the Act, and
- 1.4 WHEREAS, the Commission has determined to allocate funds for the acquisition and construction of certain eligible projects as specifically identified by this Resolution (the "Series A Projects") and to provide for funding of the Series A Projects through the issuance of a series of Notes under the Act and in accordance with the Guidelines, and
- 1.5 WHEREAS, pursuant to the Act the Commission must resolve to dedicate and pledge any future receipts of federal transportation funds (as such term is defined in the Act) received by the State to the payment of principal of and interest and premium on Notes issued pursuant to the Act for as long as any Notes remain outstanding, and
- 1.6 WHEREAS, pursuant to the Act the Commission must request that the State Treasurer issue Notes to provide the funds allocated for the Series A Projects, and
- 1.7 WHEREAS, pursuant to the Act, the Commission must determine that funding utilizing the Program achieves maximum efficiency from the State's federal allocation of transportation funds.

NOW THEREFORE BE IT RESOLVED AS FOLLOWS:

- 2.1 Funding Allocations. The following allocations to the respective projects as described below (collectively, the "Series A Projects") are hereby approved by this Commission:

2.1.1 STIP Project Interstate 880/Coleman Interchange (PPNO 0409C). The sum of \$67,000,000 is hereby allocated to PPNO 0409C for the project and for payment of the costs of issuance. Such funds shall be derived from the proceeds of the issuance of the Notes by the State Treasurer and from no other source. Attached to this Resolution as Exhibit A is an allocation vote box specifically identifying PPNO 0409C and detailing the project location and description, and project support expenditures. PPNO 0409C has been approved by the Federal Highway Administration for partial funding under the federal GARVEE program. The projected annual debt service in connection with PPNO 0409C, to be repaid solely from Regional Improvement Program (RIP) funds, is described in Exhibit B to this Resolution.

For the Interstate 880/Coleman Interchange project, August 11, 2003 is to be the earliest date in which eligible expenses will be reimbursed.

2.1.2 STIP Project Riverside Route 215 (PPNO 0121D). The sum of \$242,000,000 is hereby allocated to PPNO 0121D for the project and for payment of the costs of issuance. Such funds shall be derived from the proceeds of the issuance of the Notes by the State Treasurer and from no other source. It is intended that \$140,000,000 in proceeds will be obtained through the issuance of GARVEE bonds in January 2004 and \$102,000,000 will be obtained through the issuance of GARVEE bonds in July 2005. Attached to this Resolution as Exhibit A is an allocation vote box specifically identifying PPNO 0121D and detailing the project location and description, and project support expenditures. PPNO 0121D has been approved by the Federal Highway Administration for partial funding under the federal GARVEE program. The projected annual debt service in connection with PPNO 0121D, to be repaid 85% from RIP funds and 15% from Inter-regional Improvement Program (IIP) funds, is described in Exhibit B to this Resolution.

2.1.3 STIP Project San Diego I-15 HOV Lanes (PPNO 0672). The sum of \$181,000,000 is hereby allocated to PPNO 0672 for the project and for payment of the costs of issuance. Such funds shall be derived from the proceeds of the issuance of the Notes by the State Treasurer and from no other source. Attached to this Resolution as Exhibit A is an allocation vote box specifically identifying PPNO 0672 and detailing the project location and description, and project support expenditures. PPNO 0672 has been approved by the Federal Highway Administration for partial funding under the federal GARVEE program. The projected annual debt service in connection with PPNO 0672, to be repaid 75% from RIP funds and 25% from IIP funds, is described in Exhibit B to this Resolution.

- 2.2 Funding Allocations Determined Eligible. The Series A Projects have been determined eligible for GARVEE financing in accordance with Title 23 of the U.S. Code, California Government Code Sections 14550, et. seq., and all other applicable federal and state laws and regulations. Funding of the Series A Projects as set forth above is consistent with the Commission's policies, including without limitation, the Guidelines.
- 2.3 Intention to Finance Using the Program. The Commission declares its intent to finance the Series A Projects pursuant to the Program.
- 2.4 Request to State Treasurer. The Commission hereby requests that the State Treasurer proceed to identify a finance team, including without limitation, bond counsel, financial advisor and underwriter or underwriters, and prepare for sale the issuance of a series of the Notes (the "Series A Notes") in a principal amount sufficient to fund the allocations described in Section 2.1 hereof. This request is intended to satisfy the requirements of Section 14553.9 of the Act.
- 2.5 Pledge of Future Receipts. The Commission hereby dedicates and pledges future receipts of federal transportation funds (as that term is defined in the Act) received by the State to the payment of principal of, and interest and premium on the Notes, for as long as any Notes remain outstanding. This dedication and pledge is intended to satisfy Section 14533.7 of the Act.
- 2.6 Section 14553.4 Restriction Satisfied. The annual repayment obligation with respect to all Notes in any fiscal year during which any Notes are outstanding is not anticipated to exceed thirty percent (30 percent) of the total amount of the federal transportation funds deposited in the State Highway Account in the State Transportation Fund for any consecutive twelve (12)-month period within the preceding twenty-four (24) months as identified in the State Treasurer's "Analyses of GARVEE Bonding Capacity 2003".
- 2.7 Other Methods of Funding Not Appropriate. The Commission hereby determines that providing funding of the allocations identified in Section 2.1 hereof through the issuance of Notes under the Program will achieve maximum efficiency from the State's federal allocation of transportation funds and that other methods of financing are either not appropriate or not available.

Project #	Allocation Amount	Recipient	RTPA/CTC	County	Dist-Co-Rte	Postmile (Kilopost)	Location	Project Description	Project Support Expenditures	EA	PPNO	Program / Year	PA&ED	PS&E	Const Eng	CONST	Budget Year	Item #	Program Code	Bond Proceeds	Federal	Allocation Amount	Total Amount
2.5b.(6) State Transportation Improvement Program (STIP) Projects																							Resolution FG-03-01
On the State Highway System (GARVEE)																							
1	\$67,000,000	MTC	Santa Clara	04N-SCI-880	3.2/2.4		San Jose: I-880@Coleman; Reconstruct Coleman Ave. bridge & realign, reconstruct all ramps accessing I-880 & add new direct connection ramp to SB I-880 from Airport Blvd & Newhall St.	Note: The amount identified for Project Funding includes principal and the issuance cost. The aggregate amount of the bonds for this I-880 project includes costs for right of way, construction, support and issuance and is currently estimated at \$66,000,000. The amount identified for Project Allocation (\$67,000,000) includes financing contingencies.		Project Funding (GARVEE Bond Proceeds)							2003/04	801-6801	20.20.075.600			\$67,000,000	
										RIP/2003/04													
										\$0													
										\$0													
										\$0													
										\$67,000,000													
							Other programmed construction funds:																
							TCRP: \$ 5,000,000																
							Contributions from other sources:																
							Local: \$18,147,600																
2	\$242,000,000	Department of Transportation	RCTC	Riverside	08S-Riv-215, 60, 91	37.4/43.9, 19.3/11.5, 20.3/21.6	In Riverside County and Moreno Valley on Route 215 from 0.1 km South of Eucalyptus Avenue Overcrossing to Columbia Avenue Overcrossing and on Route 60 from 1.1 km East of Day Street Overcrossing to 0.4 km West of Main Street Overcrossing and on Route 91 from 0.3 km South of University Avenue Undercrossing to 0.2 km North of Spruce Street Overcrossing.			Project Funding (GARVEE Bond Proceeds)							2003-04	801-6801	20.20.075.600			\$119,000,000	
										3348U1													
										08-0121D													
										RIP/2003/04													
										\$0													
										\$0													
										\$0													
							Widen Route 215, Construct truck climbing lanes and auxiliary lane, improve mainlines and interchanges.			\$119,000,000													
							Note: The amount identified for Project Funding includes principal and the issuance cost. The aggregate amount of the bonds for this Riverside project includes costs for right of way, construction, and issuance and is currently estimated at \$238,800,000. The amount identified for Project Allocation (\$242,000,000) includes financing contingencies.			3348U1							2003-04	801-6801	20.20.025.700			\$21,000,000	
										08-0121D													
										IIP/2003/04													
										\$0													
										\$0													
										\$0													
										\$21,000,000													
							Other programmed construction funds:			3348U1							2005-06	801-6801	20.20.075.600			\$86,700,000	
							TCRP: \$ 1,085,000			08-0121D													
							Contributions from other sources:			RIP/2005/06													
							CMAQ: \$15,042,000			\$0													
							RSTP: \$13,327,000			\$0													
							Local: \$33,915,000			\$0													
										\$86,700,000													
							Related STIP Amendment 02S-102			3348U1							2005-06	801-6801	20.20.025.700			\$15,300,000	
										08-0121D													
										IIP/2005/06													
										\$0													
										\$0													
										\$0													
										\$15,300,000													
										\$242,000,000													\$242,000,000

Project #	EA	Allocation		
Allocation Amount	PPNO	Amount		
Recipient	Program / Year			
RTPA/CTC	PA&ED	Budget Year	Bond Proceeds	
County	PS&E	Item #	Federal	
Dist-Co-Rte	Const Eng	Program Code		
Postmile (Kilopost)	CONST		Total Amount	
2.5b.(6) State Transportation Improvement Program (STIP) Projects (Continued)				
On the State Highway System (GARVEE)			Resolution FG-03-01	
3				
\$181,000,000	In San Diego near Escondido on Route 15 from north of	Project Funding		
Department of	Poway Road Overcrossing to north of Clarence Lane	(GARVEE Bond		
Transportation	Undercrossing.	Proceeds)		
<u>SANDAG</u>		0809--	2003/04	
San Diego	Construct managed lanes (middle segment – Units 2-5).	11-0672	801-6801	\$135,750,000
11S-SD-15		RIP/2003/04	20.20.075.600	
M18.8/M28.1	Note: The amount identified for Project Funding includes	\$0		
(M30.2/M45.2)	principal and the issuance cost. The aggregate amount of	\$0		
	the bonds for this I-15 project includes costs for	\$0		
	construction, support and issuance and is currently	\$135,750,000		
	estimated at \$178,000,000. The amount identified for	0809--	2003/04	
	Project Allocation (\$181,000,000) includes financing	11-0672	801-6801	\$45,250,000
	contingencies.	IIP/2003/04	20.20.025.700	
	Other programmed construction funds:	\$0		
	STIP IIP: \$ 2,559,000	\$0		
	STIP RIP: \$12,000,000 \$1,500,000	\$0		
	SHOPP funds: \$ 4,136,000	\$45,250,000		
	TCRP: \$ 6,900,000	\$181,000,000		\$181,000,000
	Contributions from other sources:			
	CMAQ: \$11,000,000			
	RSTP: \$23,427,000			

Timeline of Debt Service Schedules

(amounts in thousands)

I-15 MANAGED LANES PROJECT

EST. GARVEE D/S Payments	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	Total
Total Debt Service @ 4.75%	22,773	22,773	22,773	22,773	22,773	22,773	22,773	22,773	22,773	22,773	-	-	227,730
RIP Share @ 75%	17,080	17,080	17,080	17,080	17,080	17,080	17,080	17,080	17,080	17,080	-	-	170,798
IIP Share @ 25%	5,693	5,693	5,693	5,693	5,693	5,693	5,693	5,693	5,693	5,693	-	-	56,933
Total Debt Service	22,773	22,773	22,773	22,773	22,773	22,773	22,773	22,773	22,773	22,773	-	-	227,730

I-880/COLEMAN INTERCHANGE PROJECT

EST. GARVEE D/S Payments	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	Total
Total Debt Service @ 4.75%	7,842	7,842	7,842	7,842	7,842	7,842	7,842	7,842	7,842	7,842	7,842	-	86,262
RIP Share @ 100%	7,842	7,842	7,842	7,842	7,842	7,842	7,842	7,842	7,842	7,842	7,842	-	86,262
IIP Share @ 0%	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	7,842	7,842	7,842	7,842	7,842	7,842	7,842	7,842	7,842	7,842	7,842	-	86,262

RIVERSIDE I-215 CORRIDOR PROJECT

EST. GARVEE D/S Payments**	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	Total
Total Debt Service @ 4.75%	17,630	20,029	30,359	30,350	30,340	30,330	30,320	30,309	30,297	30,285	12,642	12,629	305,520
RIP Share @ 85%	14,986	17,025	25,805	25,798	25,789	25,781	25,772	25,763	25,752	25,742	10,746	10,735	259,692
IIP Share @ 15%	2,645	3,004	4,554	4,553	4,551	4,550	4,548	4,546	4,545	4,543	1,896	1,894	45,828
Total Debt Service	17,630	20,029	30,359	30,350	30,340	30,330	30,320	30,309	30,297	30,285	12,642	12,629	305,520

**Debt Service Payments are based on two 10-year bonds in Jan 04 and July 05.

TOTAL DEBT SERVICE FOR ALL 3 PROJECTS

EST. GARVEE D/S Payments	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16	Total
Total Debt Service	48,245	50,644	60,974	60,965	60,955	60,945	60,935	60,924	60,912	60,900	20,484	12,629	619,512
Total RIP Share	39,907	41,946	50,727	50,719	50,711	50,702	50,694	50,684	50,674	50,664	18,588	10,735	516,752
Total IIP Share	8,338	8,698	10,247	10,246	10,244	10,243	10,241	10,240	10,238	10,236	1,896	1,894	102,761
Total Debt Service	48,245	50,644	60,974	60,965	60,955	60,945	60,935	60,924	60,912	60,900	20,484	12,629	619,512